

May 16, 2006

City of Sunnyvale
456 W. Olive Avenue
Sunnyvale, CA 94086

Re: Property: 388 Charles Street
Sunnyvale, CA 94086
Borrower: NA
File No.: 06-0173

In accordance with your request, I have appraised the above referenced property. The report of that appraisal is attached.

The portion of the subject requested to be appraised known as 388 Charles Street is part of parcel #165-13-074 which per county records, includes a total of three lots. The address for this parcel as shown on county records is 379 S Mathilda Avenue.

Because the subject's section of this parcel will need to be split before transfer is possible, the value contained in this report is contingent upon a successful subdivision of these sites. The cost of this process is unknown and was therefore not included in this report.

It has been a pleasure to assist you. Please do not hesitate to contact me or any of my staff if we can be of additional service to you.

Sincerely,

A handwritten signature in black ink, appearing to read "Duane Adam", written over a horizontal line.

Duane Adam

FROM: Duane Adam Real Estate Appraisal 7580 Prestwick Court Gilroy, CA 95020 (408) 847-4553, Telephone Number: (408) 847-4553 Fax Number: (408) 847-4553	<h2 style="text-align: center; margin: 0;">INVOICE</h2> <table border="1" style="width: 100%; border-collapse: collapse;"> <tr> <th style="text-align: center; background-color: #cccccc;">INVOICE NUMBER</th> </tr> <tr> <td style="text-align: center;">06-0173</td> </tr> <tr> <th style="text-align: center; background-color: #cccccc;">DATE</th> </tr> <tr> <td style="text-align: center;">5/16/2006</td> </tr> <tr> <th style="text-align: center; background-color: #cccccc;">REFERENCE</th> </tr> <tr> <td>Internal Order #: 06-0173</td> </tr> <tr> <td>Lender Case #:</td> </tr> <tr> <td>Client File #:</td> </tr> <tr> <td>Main File # on form: 06-0173</td> </tr> <tr> <td>Other File # on form:</td> </tr> <tr> <td>Federal Tax ID:</td> </tr> <tr> <td>Employer ID:</td> </tr> </table>	INVOICE NUMBER	06-0173	DATE	5/16/2006	REFERENCE	Internal Order #: 06-0173	Lender Case #:	Client File #:	Main File # on form: 06-0173	Other File # on form:	Federal Tax ID:	Employer ID:
INVOICE NUMBER													
06-0173													
DATE													
5/16/2006													
REFERENCE													
Internal Order #: 06-0173													
Lender Case #:													
Client File #:													
Main File # on form: 06-0173													
Other File # on form:													
Federal Tax ID:													
Employer ID:													
TO: City of Sunnyvale 456 W. Olive Avenue Sunnyvale, CA 94086 Telephone Number: (408) 730-7451 Fax Number: (408) 730-7715 Alternate Number: E-Mail:													
DESCRIPTION													
<table style="width: 100%;"> <tr> <td style="width: 50%;">Lender: NA</td> <td style="width: 50%;">Client: City of Sunnyvale</td> </tr> <tr> <td colspan="2">Purchaser/Borrower: NA</td> </tr> <tr> <td colspan="2">Property Address: 388 Charles Street</td> </tr> <tr> <td colspan="2">City: Sunnyvale</td> </tr> <tr> <td>County: Santa Clara</td> <td>State: CA Zip: 94086</td> </tr> <tr> <td colspan="2">Legal Description: Burton Subdivision Lot 9</td> </tr> </table>		Lender: NA	Client: City of Sunnyvale	Purchaser/Borrower: NA		Property Address: 388 Charles Street		City: Sunnyvale		County: Santa Clara	State: CA Zip: 94086	Legal Description: Burton Subdivision Lot 9	
Lender: NA	Client: City of Sunnyvale												
Purchaser/Borrower: NA													
Property Address: 388 Charles Street													
City: Sunnyvale													
County: Santa Clara	State: CA Zip: 94086												
Legal Description: Burton Subdivision Lot 9													
FEES													
	AMOUNT												
Full Appraisal	350.00												
SUBTOTAL	350.00												
PAYMENTS													
	AMOUNT												
Check #: Date: Description:													
Check #: Date: Description:													
Check #: Date: Description:													
SUBTOTAL													
TOTAL DUE	\$ 350.00												

Borrower/Client NA			File No. 06-0173	
Property Address 388 Charles Street				
City Sunnyvale	County Santa Clara	State CA	Zip Code 94086	
Lender NA				

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Uniform Residential Appraisal Report

File # 06-0173

The purpose of this summary appraisal report is to provide the lender/client with an accurate, and adequately supported, opinion of the market value of the subject property.

Property Address	388 Charles Street	City	Sunnyvale	State	CA	Zip Code	94086
Borrower	NA	Owner of Public Record	City of Sunnyvale	County	Santa Clara		
Legal Description	Burton Subdivision Lot 9						
Assessor's Parcel #	Portion of 165-13-074	Tax Year	05-06	R.E. Taxes	\$ 0		
Neighborhood Name	NA	Map Reference	TB:812-D7	Census Tract	5086.01		
Occupant	<input type="checkbox"/> Owner <input checked="" type="checkbox"/> Tenant <input type="checkbox"/> Vacant	Special Assessments	\$ None	<input type="checkbox"/> PUD	HOA \$ NA	<input type="checkbox"/> per year	<input type="checkbox"/> per month
Property Rights Appraised	<input checked="" type="checkbox"/> Fee Simple <input type="checkbox"/> Leasehold <input type="checkbox"/> Other (describe)						
Assignment Type	<input type="checkbox"/> Purchase Transaction <input type="checkbox"/> Refinance Transaction <input type="checkbox"/> Other (describe)						
Lender/Client	NA	Address					
Is the subject property currently offered for sale or has it been offered for sale in the twelve months prior to the effective date of this appraisal? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No							
Report data source(s) used, offering price(s), and date(s).							

I ☐ did ☐ did not analyze the contract for sale for the subject purchase transaction. Explain the results of the analysis of the contract for sale or why the analysis was not performed. NA

Contract Price	\$ NA	Date of Contract	NA	Is the property seller the owner of public record?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No	Data Source(s)	Co Rec
Is there any financial assistance (loan charges, sale concessions, gift or downpayment assistance, etc.) to be paid by any party on behalf of the borrower? <input type="checkbox"/> Yes <input type="checkbox"/> No							
If Yes, report the total dollar amount and describe the items to be paid. NA							

Note: Race and the racial composition of the neighborhood are not appraisal factors.

Neighborhood Characteristics		One-Unit Housing Trends		One-Unit Housing		Present Land Use %	
Location	<input type="checkbox"/> Urban <input checked="" type="checkbox"/> Suburban <input type="checkbox"/> Rural	Property Values	<input type="checkbox"/> Increasing <input checked="" type="checkbox"/> Stable <input type="checkbox"/> Declining	PRICE	AGE	One-Unit	85 %
Built-Up	<input checked="" type="checkbox"/> Over 75% <input type="checkbox"/> 25-75% <input type="checkbox"/> Under 25%	Demand/Supply	<input type="checkbox"/> Shortage <input checked="" type="checkbox"/> In Balance <input type="checkbox"/> Over Supply	\$ (000)	(yrs)	2-4 Unit	5 %
Growth	<input type="checkbox"/> Rapid <input checked="" type="checkbox"/> Stable <input type="checkbox"/> Slow	Marketing Time	<input checked="" type="checkbox"/> Under 3 mths <input type="checkbox"/> 3-6 mths <input type="checkbox"/> Over 6 mths	510	Low	Multi-Family	5 %
Neighborhood Boundaries		The neighborhood boundaries are: North, the 101 freeway, south, El Camino		1,420	High	Commercial	5 %
Real, east, Fair Oaks Avenue, west, Mary Avenue.				775	Pred.	Other	%

Neighborhood Description The subject is located in the city of Sunnyvale. Neighborhood composition is primarily residential. Freeway access is within two miles (the 101/85/237 freeways), schools and shops are within 2 miles, and employment centers are 1-15 miles. No adverse neighborhood conditions were observed.

Market Conditions (including support for the above conclusions) Market values have been stable since August 2005. Listing inventory in Santa Clara County consists of approximately 3500 single family homes, condominiums and townhomes (status 1) which is within the range of a balanced market.

Dimensions See attached plot map. Area 6,500 Sq. Ft. (after subc Shape Rectangular View None

Specific Zoning Classification RO Zoning Description Single Family Residential

Zoning Compliance ☒ Legal ☐ Legal Nonconforming (Grandfathered Use) ☐ No Zoning ☐ Illegal (describe)

Is the highest and best use of subject property as improved (or as proposed per plans and specifications) the present use? ☒ Yes ☐ No If No, describe

Utilities	Public	Other (describe)	Public	Other (describe)	Off-site Improvements - Type	Public	Private
Electricity	<input checked="" type="checkbox"/>		Water	<input checked="" type="checkbox"/>	Street Asphalt	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Gas	<input checked="" type="checkbox"/>		Sanitary Sewer	<input type="checkbox"/>	Alley None	<input type="checkbox"/>	<input type="checkbox"/>

FEMA Special Flood Hazard Area ☐ Yes ☒ No FEMA Flood Zone Zone "BX" FEMA Map # 060352-0001D FEMA Map Date 12-19-97

Are the utilities and off-site improvements typical for the market area? ☒ Yes ☐ No If No, describe

Are there any adverse site conditions or external factors (easements, encroachments, environmental conditions, land uses, etc.)? ☐ Yes ☒ No If Yes, describe

No adverse conditions were observed.

General Description		Foundation		Exterior Description		Interior	
Units	<input checked="" type="checkbox"/> One <input type="checkbox"/> One with Accessory Unit	Concrete Slab	<input checked="" type="checkbox"/> Crawl Space	Foundation Walls	Concrete/Avg.	Floors	Cpt/Vinyl/Avg.
# of Stories	One	Full Basement	<input type="checkbox"/> Partial Basement	Exterior Walls	Wood Siding/Avg.	Walls	Drywall/Avg.
Type	<input checked="" type="checkbox"/> Det. <input type="checkbox"/> Att. <input type="checkbox"/> S-Det/End Unit	Basement Area	200 +/- sq.ft.	Roof Surface	Comp. Shngl/Avg.	Trim/Finish	Wood/Pnt/Avg.
	<input checked="" type="checkbox"/> Existing <input type="checkbox"/> Proposed <input type="checkbox"/> Under Const.	Basement Finish	NA	% Gutters & Downspouts	Metal/Avg.	Bath Floor	Vinyl/Avg.
Design (Style)	Bungalow	Outside Entry/Exit	<input type="checkbox"/> Sump Pump	Window Type	Double Hung/Avg.	Bath Wainscot	Ceramic/Avg.
Year Built	1953	Evidence of	<input type="checkbox"/> Infestation None Noted	Storm Sash/Insulated	NA	Car Storage	<input type="checkbox"/> None
Effective Age (Yrs)	35 Years	<input type="checkbox"/> Dampness	<input type="checkbox"/> Settlement	Screens	Avg.	Driveway	# of Cars
Attic	<input type="checkbox"/> None	Heating	<input type="checkbox"/> FWA <input type="checkbox"/> HWBB <input type="checkbox"/> Radiant	Amenities	<input type="checkbox"/> Woodstove(s) #	Driveway Surface	Asphalt
<input type="checkbox"/> Drop Stair	<input type="checkbox"/> Stairs	<input checked="" type="checkbox"/> Other Wall	Fuel Gas	Fireplace(s) #	None	<input checked="" type="checkbox"/> Garage	# of Cars 1
<input type="checkbox"/> Floor	<input checked="" type="checkbox"/> Scuttle	Cooling	<input type="checkbox"/> Central Air Conditioning	<input checked="" type="checkbox"/> Patio/Deck	<input checked="" type="checkbox"/> Porch	<input type="checkbox"/> Carport	# of Cars
<input type="checkbox"/> Finished	<input checked="" type="checkbox"/> Heated	<input type="checkbox"/> Individual	<input type="checkbox"/> Other	Pool	<input type="checkbox"/> Other	<input type="checkbox"/> Att.	<input checked="" type="checkbox"/> Det. <input type="checkbox"/> Built-in

Appliances ☐ Refrigerator ☒ Range/Oven ☒ Dishwasher ☐ Disposal ☐ Microwave ☐ Washer/Dryer ☐ Other (describe)

Finished area above grade contains: 5 Rooms 3 Bedrooms 1.5 Bath(s) 1,161 Square Feet of Gross Living Area Above Grade

Additional features (special energy efficient items, etc.). See Attached Addendum.

Describe the condition of the property (including needed repairs, deterioration, renovations, remodeling, etc.). The subject is maintained in average condition. The roof, heating, plumbing and electrical systems appeared to be adequate although testing is beyond the scope of this appraisal. Normal physical depreciation. No functional obsolescence was observed. Minor external obsolescence results as the subject is one site from a busy street (Mathilda Avenue).

Are there any physical deficiencies or adverse conditions that affect the livability, soundness, or structural integrity of the property? ☐ Yes ☒ No If Yes, describe

Does the property generally conform to the neighborhood (functional utility, style, condition, use, construction, etc.)? ☒ Yes ☐ No If No, describe

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There are 3 comparable properties currently offered for sale in the subject neighborhood ranging in price from \$ 699,000 to \$ 825,000	
There are 11 comparable sales in the subject neighborhood within the past twelve months ranging in sale price from \$ 560,000 to \$ 800,000	
FEATURE	SUBJECT
Address 388 Charles Street Sunnyvale, CA 94086	432 E McKinley Avenue Sunnyvale
Proximity to Subject	1/3 mile north east
Sale Price	\$ NA \$ 625,000
Sale Price/Gross Liv. Area	\$ sq.ft. \$ 638.41 sq.ft. \$ 628.80 sq.ft. \$ 622.22 sq.ft. \$ 560,000
Data Source(s)	Doc#18882863 Doc#18682227 Doc#18897974
Verification Source(s)	MLS#609989/CO REC MLS#559994/CO REC MLS#622580/CO REC
VALUE ADJUSTMENTS	DESCRIPTION DESCRIPTION +(-) \$ Adjustment DESCRIPTION +(-) \$ Adjustment DESCRIPTION +(-) \$ Adjustment
Sales or Financing	Conventional
Concessions	None
Date of Sale/Time	COE:04-12-06 COE:11-18-05 COE:04-21-06
Location	Minor external Feeder Street 10,000 Bcks Apartmnts Offset 2 Sites RR +50,000
Leasehold/Fee Simple	Fee Simple Fee Simple Fee Simple
Site	6,500 Sq. Ft. (aff) 5000 Sq. Ft. +3,000 6098 Sq. Ft. 6350 Sq. Ft.
View	None None None
Design (Style)	Bungalow Similar Similar
Quality of Construction	Average Similar Similar
Actual Age	53 Years 63 Years 65 Years 89 Years +10,000
Condition	Average Similar Similar
Above Grade	Total Bdrms. Baths Total Bdrms. Baths Total Bdrms. Baths +10,000 Total Bdrms. Baths
Room Count	5 3 1.5 5 3 1 +5,000 5 2 1 +5,000 5 3 1 +5,000
Gross Living Area	1,161 sq.ft. 979 sq.ft. +7,000 986 sq.ft. +7,000 900 sq.ft. +10,000
Basement & Finished	200+/- Sq.Ft. None +2,500 Partial NA +2,500
Rooms Below Grade	NA NA NA
Functional Utility	Average Average Average
Heating/Cooling	Wall/Floor/None Wall/None Floor/None
Energy Efficient Items	Standard Standard Standard
Garage/Carport	1 Car Garage 1 Car Garage 2 Car Garage -7,500 1 Car Garage
Porch/Patio/Deck	Patio Similar Similar
	Built-Ins Built-Ins Built-Ins
Net Adjustment (Total)	⊗ + □ - \$ 27,500 ⊗ + □ - \$ 14,500 ⊗ + □ - \$ 77,500
Adjusted Sale Price of Comparables	\$ 652,500 \$ 634,500 \$ 637,500
I <input checked="" type="checkbox"/> did <input type="checkbox"/> did not research the sale or transfer history of the subject property and comparable sales. If not, explain	
My research <input type="checkbox"/> did <input checked="" type="checkbox"/> did not reveal any prior sales or transfers of the subject property for the three years prior to the effective date of this appraisal.	
Data Source(s)	
My research <input type="checkbox"/> did <input checked="" type="checkbox"/> did not reveal any prior sales or transfers of the comparable sales for the year prior to the date of sale of the comparable sale.	
Data Source(s)	
Report the results of the research and analysis of the prior sale or transfer history of the subject property and comparable sales (report additional prior sales on page 3).	
ITEM	SUBJECT
Date of Prior Sale/Transfer	No sales in No sales in No sales in No sales in
Price of Prior Sale/Transfer	past 36 months past 12 months past 12 months past 12 months
Data Source(s)	NDC Data NDC Data NDC Data NDC Data
Effective Date of Data Source(s)	Signature date of appraisal Signature date of appraisal Signature date of appraisal Signature date of appraisal
Analysis of prior sale or transfer history of the subject property and comparable sales NA	
Summary of Sales Comparison Approach See Attached Addendum.	
Indicated Value by Sales Comparison Approach \$ 635,000	
Indicated Value by: Sales Comparison Approach \$ 635,000 Cost Approach (if developed) \$ 637,000 Income Approach (if developed) \$ NA	
The range of indicated values is from \$620,000 to \$687,450. The most probable value appears to be \$635,000. The cost approach is supportive and the income approach was not used due to insufficient rental data.	
This appraisal is made <input type="checkbox"/> "as is", <input checked="" type="checkbox"/> subject to completion per plans and specifications on the basis of a hypothetical condition that the improvements have been completed, <input checked="" type="checkbox"/> subject to the following repairs or alterations on the basis of a hypothetical condition that the repairs or alterations have been completed, or <input type="checkbox"/> subject to the following required inspection based on the extraordinary assumption that the condition or deficiency does not require alteration or repair: Subject to subdivision from lots #5 and #6 of APN #165-13-074.	
Based on a complete visual inspection of the interior and exterior areas of the subject property, defined scope of work, statement of assumptions and limiting conditions, and appraiser's certification, my (our) opinion of the market value, as defined, of the real property that is the subject of this report is \$ 635,000, as of May 14, 2006, which is the date of inspection and the effective date of this appraisal.	

Uniform Residential Appraisal Report

File # 06-0173

ADDITIONAL COMMENTS

COST APPROACH

INCOME

PUD

COST APPROACH TO VALUE (not required by Fannie Mae)

Provide adequate information for the lender/client to replicate the below cost figures and calculations.

Support for the opinion of site value (summary of comparable land sales or other methods for estimating site value) Site value derived via the abstraction method due to a scarcity of land comparables in the subject's area.

ESTIMATED <input checked="" type="checkbox"/> REPRODUCTION OR <input type="checkbox"/> REPLACEMENT COST NEW	OPINION OF SITE VALUE	= \$	545,000
Source of cost data Local Builders and Contractors	DWELLING 1,161 Sq.Ft. @ \$ 100.00	= \$	116,100
Quality rating from cost service NA Effective date of cost data Current	Sq.Ft. @ \$	= \$	
Comments on Cost Approach (gross living area calculations, depreciation, etc.)	Patio	= \$	5,000
SEE SKETCH ADDENDUM FOR CALCULATIONS. REPRODUCTION	Garage/Carport 298 Sq.Ft. @ \$ 30.00	= \$	8,940
COST OF THE IMPROVEMENTS ARE BASED ON THE MARSHALL & SWIFT RESIDENTIAL COST HANDBOOK AS WELL AS INPUT FROM	Total Estimate of Cost-New	= \$	130,040
LOCAL CONTRACTORS AND DEVELOPERS. LAND VALUE DERIVED	Less Physical Functional External		
BY THE ABSTRACTION METHOD. THE SUBJECT LAND TO	Depreciation 43,040	= \$(53,040)
IMPROVEMENT VALUE IS TYPICAL FOR ITS AREA. PHYSICAL	Depreciated Cost of Improvements	= \$	77,000
DEPRECIATION IS CALCULATED BY THE AGE/LIFE METHOD.	"As-Is" Value of Site Improvements	= \$	15,000
Estimated Remaining Economic Life (HUD and VA only) Years	INDICATED VALUE BY COST APPROACH	= \$	637,000

INCOME APPROACH TO VALUE (not required by Fannie Mae)

Estimated Monthly Market Rent \$ X Gross Rent Multiplier NA = \$ Indicated Value by Income Approach

Summary of Income Approach (including support for market rent and GRM)

PROJECT INFORMATION FOR PUDs (if applicable)

Is the developer/builder in control of the Homeowners' Association (HOA)? ☐ Yes ☐ No Unit type(s) ☐ Detached ☐ Attached

Provide the following information for PUDs ONLY if the developer/builder is in control of the HOA and the subject property is an attached dwelling unit.

Legal Name of Project

Total number of phases Total number of units Total number of units sold

Total number of units rented Total number of units for sale Data source(s)

Was the project created by the conversion of existing building(s) into a PUD? ☐ Yes ☐ No If Yes, date of conversion.Does the project contain any multi-dwelling units? ☐ Yes ☐ No Data SourceAre the units, common elements, and recreation facilities complete? ☐ Yes ☐ No If No, describe the status of completion.Are the common elements leased to or by the Homeowners' Association? ☐ Yes ☐ No If Yes, describe the rental terms and options.

Describe common elements and recreational facilities. N/A

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This report form is designed to report an appraisal of a one-unit property or a one-unit property with an accessory unit; including a unit in a planned unit development (PUD). This report form is not designed to report an appraisal of a manufactured home or a unit in a condominium or cooperative project.

This appraisal report is subject to the following scope of work, intended use, intended user, definition of market value, statement of assumptions and limiting conditions, and certifications. Modifications, additions, or deletions to the intended use, intended user, definition of market value, or assumptions and limiting conditions are not permitted. The appraiser may expand the scope of work to include any additional research or analysis necessary based on the complexity of this appraisal assignment. Modifications or deletions to the certifications are also not permitted. However, additional certifications that do not constitute material alterations to this appraisal report, such as those required by law or those related to the appraiser's continuing education or membership in an appraisal organization, are permitted.

SCOPE OF WORK: The scope of work for this appraisal is defined by the complexity of this appraisal assignment and the reporting requirements of this appraisal report form, including the following definition of market value, statement of assumptions and limiting conditions, and certifications. The appraiser must, at a minimum: (1) perform a complete visual inspection of the interior and exterior areas of the subject property, (2) inspect the neighborhood, (3) inspect each of the comparable sales from at least the street, (4) research, verify, and analyze data from reliable public and/or private sources, and (5) report his or her analysis, opinions, and conclusions in this appraisal report.

INTENDED USE: The intended use of this appraisal report is for the lender/client to evaluate the property that is the subject of this appraisal for a mortgage finance transaction.

INTENDED USER: The intended user of this appraisal report is the lender/client.

DEFINITION OF MARKET VALUE: The most probable price which a property should bring in a competitive and open market under all conditions requisite to a fair sale, the buyer and seller, each acting prudently, knowledgeably and assuming the price is not affected by undue stimulus. Implicit in this definition is the consummation of a sale as of a specified date and the passing of title from seller to buyer under conditions whereby: (1) buyer and seller are typically motivated; (2) both parties are well informed or well advised, and each acting in what he or she considers his or her own best interest; (3) a reasonable time is allowed for exposure in the open market; (4) payment is made in terms of cash in U. S. dollars or in terms of financial arrangements comparable thereto; and (5) the price represents the normal consideration for the property sold unaffected by special or creative financing or sales concessions* granted by anyone associated with the sale.

*Adjustments to the comparables must be made for special or creative financing or sales concessions. No adjustments are necessary for those costs which are normally paid by sellers as a result of tradition or law in a market area; these costs are readily identifiable since the seller pays these costs in virtually all sales transactions. Special or creative financing adjustments can be made to the comparable property by comparisons to financing terms offered by a third party institutional lender that is not already involved in the property or transaction. Any adjustment should not be calculated on a mechanical dollar for dollar cost of the financing or concession but the dollar amount of any adjustment should approximate the market's reaction to the financing or concessions based on the appraiser's judgment.

STATEMENT OF ASSUMPTIONS AND LIMITING CONDITIONS: The appraiser's certification in this report is subject to the following assumptions and limiting conditions:

1. The appraiser will not be responsible for matters of a legal nature that affect either the property being appraised or the title to it, except for information that he or she became aware of during the research involved in performing this appraisal. The appraiser assumes that the title is good and marketable and will not render any opinions about the title.
2. The appraiser has provided a sketch in this appraisal report to show the approximate dimensions of the improvements. The sketch is included only to assist the reader in visualizing the property and understanding the appraiser's determination of its size.
3. The appraiser has examined the available flood maps that are provided by the Federal Emergency Management Agency (or other data sources) and has noted in this appraisal report whether any portion of the subject site is located in an identified Special Flood Hazard Area. Because the appraiser is not a surveyor, he or she makes no guarantees, express or implied, regarding this determination.
4. The appraiser will not give testimony or appear in court because he or she made an appraisal of the property in question, unless specific arrangements to do so have been made beforehand, or as otherwise required by law.
5. The appraiser has noted in this appraisal report any adverse conditions (such as needed repairs, depreciation, the presence of hazardous wastes, toxic substances, etc.) observed during the inspection of the subject property or that he or she became aware of during the research involved in performing the appraisal. Unless otherwise stated in this appraisal report, the appraiser has no knowledge of any hidden or unapparent physical deficiencies or adverse conditions of the property (such as, but not limited to, needed repairs, deterioration, the presence of hazardous wastes, toxic substances, adverse environmental conditions, etc.) that would make the property less valuable, and has assumed that there are no such conditions and makes no guarantees or warranties, express or implied. The appraiser will not be responsible for any such conditions that do exist or for any engineering or testing that might be required to discover whether such conditions exist. Because the appraiser is not an expert in the field of environmental hazards, this appraisal report must not be considered as an environmental assessment of the property.
6. The appraiser has based his or her appraisal report and valuation conclusion for an appraisal that is subject to satisfactory completion, repairs, or alterations on the assumption that the completion, repairs, or alterations of the subject property will be performed in a professional manner.

Uniform Residential Appraisal Report

File # 06-0173

APPRAISER'S CERTIFICATION: The Appraiser certifies and agrees that:

1. I have, at a minimum, developed and reported this appraisal in accordance with the scope of work requirements stated in this appraisal report.
2. I performed a complete visual inspection of the interior and exterior areas of the subject property. I reported the condition of the improvements in factual, specific terms. I identified and reported the physical deficiencies that could affect the livability, soundness, or structural integrity of the property.
3. I performed this appraisal in accordance with the requirements of the Uniform Standards of Professional Appraisal Practice that were adopted and promulgated by the Appraisal Standards Board of The Appraisal Foundation and that were in place at the time this appraisal report was prepared.
4. I developed my opinion of the market value of the real property that is the subject of this report based on the sales comparison approach to value. I have adequate comparable market data to develop a reliable sales comparison approach for this appraisal assignment. I further certify that I considered the cost and income approaches to value but did not develop them, unless otherwise indicated in this report.
5. I researched, verified, analyzed, and reported on any current agreement for sale for the subject property, any offering for sale of the subject property in the twelve months prior to the effective date of this appraisal, and the prior sales of the subject property for a minimum of three years prior to the effective date of this appraisal, unless otherwise indicated in this report.
6. I researched, verified, analyzed, and reported on the prior sales of the comparable sales for a minimum of one year prior to the date of sale of the comparable sale, unless otherwise indicated in this report.
7. I selected and used comparable sales that are locationally, physically, and functionally the most similar to the subject property.
8. I have not used comparable sales that were the result of combining a land sale with the contract purchase price of a home that has been built or will be built on the land.
9. I have reported adjustments to the comparable sales that reflect the market's reaction to the differences between the subject property and the comparable sales.
10. I verified, from a disinterested source, all information in this report that was provided by parties who have a financial interest in the sale or financing of the subject property.
11. I have knowledge and experience in appraising this type of property in this market area.
12. I am aware of, and have access to, the necessary and appropriate public and private data sources, such as multiple listing services, tax assessment records, public land records and other such data sources for the area in which the property is located.
13. I obtained the information, estimates, and opinions furnished by other parties and expressed in this appraisal report from reliable sources that I believe to be true and correct.
14. I have taken into consideration the factors that have an impact on value with respect to the subject neighborhood, subject property, and the proximity of the subject property to adverse influences in the development of my opinion of market value. I have noted in this appraisal report any adverse conditions (such as, but not limited to, needed repairs, deterioration, the presence of hazardous wastes, toxic substances, adverse environmental conditions, etc.) observed during the inspection of the subject property or that I became aware of during the research involved in performing this appraisal. I have considered these adverse conditions in my analysis of the property value, and have reported on the effect of the conditions on the value and marketability of the subject property.
15. I have not knowingly withheld any significant information from this appraisal report and, to the best of my knowledge, all statements and information in this appraisal report are true and correct.
16. I stated in this appraisal report my own personal, unbiased, and professional analysis, opinions, and conclusions, which are subject only to the assumptions and limiting conditions in this appraisal report.
17. I have no present or prospective interest in the property that is the subject of this report, and I have no present or prospective personal interest or bias with respect to the participants in the transaction. I did not base, either partially or completely, my analysis and/or opinion of market value in this appraisal report on the race, color, religion, sex, age, marital status, handicap, familial status, or national origin of either the prospective owners or occupants of the subject property or of the present owners or occupants of the properties in the vicinity of the subject property or on any other basis prohibited by law.
18. My employment and/or compensation for performing this appraisal or any future or anticipated appraisals was not conditioned on any agreement or understanding, written or otherwise, that I would report (or present analysis supporting) a predetermined specific value, a predetermined minimum value, a range or direction in value, a value that favors the cause of any party, or the attainment of a specific result or occurrence of a specific subsequent event (such as approval of a pending mortgage loan application).
19. I personally prepared all conclusions and opinions about the real estate that were set forth in this appraisal report. If I relied on significant real property appraisal assistance from any individual or individuals in the performance of this appraisal or the preparation of this appraisal report, I have named such individual(s) and disclosed the specific tasks performed in this appraisal report. I certify that any individual so named is qualified to perform the tasks. I have not authorized anyone to make a change to any item in this appraisal report; therefore, any change made to this appraisal is unauthorized and I will take no responsibility for it.
20. I identified the lender/client in this appraisal report who is the individual, organization, or agent for the organization that ordered and will receive this appraisal report.

Uniform Residential Appraisal Report

File # 06-0173

21. The lender/client may disclose or distribute this appraisal report to: the borrower; another lender at the request of the borrower; the mortgagee or its successors and assigns; mortgage insurers; government sponsored enterprises; other secondary market participants; data collection or reporting services; professional appraisal organizations; any department, agency, or instrumentality of the United States; and any state, the District of Columbia, or other jurisdictions; without having to obtain the appraiser's or supervisory appraiser's (if applicable) consent. Such consent must be obtained before this appraisal report may be disclosed or distributed to any other party (including, but not limited to, the public through advertising, public relations, news, sales, or other media).

22. I am aware that any disclosure or distribution of this appraisal report by me or the lender/client may be subject to certain laws and regulations. Further, I am also subject to the provisions of the Uniform Standards of Professional Appraisal Practice that pertain to disclosure or distribution by me.

23. The borrower, another lender at the request of the borrower, the mortgagee or its successors and assigns, mortgage insurers, government sponsored enterprises, and other secondary market participants may rely on this appraisal report as part of any mortgage finance transaction that involves any one or more of these parties.

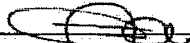
24. If this appraisal report was transmitted as an "electronic record" containing my "electronic signature," as those terms are defined in applicable federal and/or state laws (excluding audio and video recordings), or a facsimile transmission of this appraisal report containing a copy or representation of my signature, the appraisal report shall be as effective, enforceable and valid as if a paper version of this appraisal report were delivered containing my original hand written signature.

25. Any intentional or negligent misrepresentation(s) contained in this appraisal report may result in civil liability and/or criminal penalties including, but not limited to, fine or imprisonment or both under the provisions of Title 18, United States Code, Section 1001, et seq., or similar state laws.

SUPERVISORY APPRAISER'S CERTIFICATION: The Supervisory Appraiser certifies and agrees that:

1. I directly supervised the appraiser for this appraisal assignment, have read the appraisal report, and agree with the appraiser's analysis, opinions, statements, conclusions, and the appraiser's certification.
2. I accept full responsibility for the contents of this appraisal report including, but not limited to, the appraiser's analysis, opinions, statements, conclusions, and the appraiser's certification.
3. The appraiser identified in this appraisal report is either a sub-contractor or an employee of the supervisory appraiser (or the appraisal firm), is qualified to perform this appraisal, and is acceptable to perform this appraisal under the applicable state law.
4. This appraisal report complies with the Uniform Standards of Professional Appraisal Practice that were adopted and promulgated by the Appraisal Standards Board of The Appraisal Foundation and that were in place at the time this appraisal report was prepared.
5. If this appraisal report was transmitted as an "electronic record" containing my "electronic signature," as those terms are defined in applicable federal and/or state laws (excluding audio and video recordings), or a facsimile transmission of this appraisal report containing a copy or representation of my signature, the appraisal report shall be as effective, enforceable and valid as if a paper version of this appraisal report were delivered containing my original hand written signature.

APPRAISER

Signature 
 Name Duane Adam
 Company Name Duane Adam Real Estate Appraisal
 Company Address 7580 Prestwick Court Gilroy CA
http://adamap
 Telephone Number (408) 847-4553
 Email Address _____
 Date of Signature and Report May 16, 2006
 Effective Date of Appraisal May 14, 2006
 State Certification # AR017518
 or State License # _____
 or Other (describe) _____ State # _____
 State CA
 Expiration Date of Certification or License 10/24/2007

ADDRESS OF PROPERTY APPRAISED

388 Charles Street
Sunnyvale, CA 94086
 APPRAISED VALUE OF SUBJECT PROPERTY \$ 635,000
LENDER/CLIENT
 Name _____
 Company Name NA
 Company Address _____
 Email Address _____

SUPERVISORY APPRAISER (ONLY IF REQUIRED)

Signature _____
 Name _____
 Company Name _____
 Company Address _____
 Telephone Number _____
 Email Address _____
 Date of Signature _____
 State Certification # _____
 or State License # _____
 State _____
 Expiration Date of Certification or License _____

SUBJECT PROPERTY

- ☐ Did not inspect subject property
☐ Did inspect exterior of subject property from street
 Date of Inspection _____
☐ Did inspect interior and exterior of subject property
 Date of Inspection _____

COMPARABLE SALES

- ☐ Did not inspect exterior of comparable sales from street
☐ Did inspect exterior of comparable sales from street
 Date of Inspection _____

Uniform Residential Appraisal Report

File # 06-0173

FEATURE		SUBJECT	COMPARABLE SALE #4			COMPARABLE SALE #5			COMPARABLE SALE #6		
Address		388 Charles Street Sunnyvale, CA 94086	818 E California Avenue Sunnyvale			835 W Washington Avenue Sunnyvale					
Proximity to Subject			3/4 mile north east			1/3 mile north west					
Sale Price		\$ NA	\$ 620,000			\$ 699,950			\$		
Sale Price/Gross Liv. Area		\$ sq.ft.	\$ 563.64 sq.ft.			\$ 616.15 sq.ft.			\$ sq.ft.		
Data Source(s)			Confirmed with listing office			NA					
Verification Source(s)			MLS#622623/CO REC			MLS#621719/CO REC					
VALUE ADJUSTMENTS		DESCRIPTION	DESCRIPTION	+	(-) \$ Adjustment	DESCRIPTION	+	(-) \$ Adjustment	DESCRIPTION	+	(-) \$ Adjustment
Sales or Financing Concessions			Conventional None			Conventional None					
Date of Sale/Time			COE:05-09-06			Pending Sale			-10,000		
Location		Minor external	Busy Street			+20,000			Minor Feeder		
Leasehold/Fee Simple		Fee Simple	Fee Simple			Fee Simple					
Site		6,500 Sq. Ft. (a)	4500 Sq. Ft.			+4,000			7383 Sq. Ft.		
View		None	None			None					
Design (Style)		Bungalow	Similar			Similar					
Quality of Construction		Average	Similar			Similar					
Actual Age		53 Years	48 Years			60 Years					
Condition		Average	Sl. Superior			-20,000			Sl. Superior		
Above Grade		Total Bdrms. Baths	Total Bdrms. Baths			Total Bdrms. Baths			Total Bdrms. Baths		
Room Count		5 3 1.5	5 3 2			-5,000			5 2 1		
Gross Living Area		1,161 sq.ft.	1,100 sq.ft.						1,136 sq.ft.		
Basement & Finished Rooms Below Grade		200+/- Sq.Ft. NA	None NA			+2,500			None NA		
Functional Utility		Average	Average			Average					
Heating/Cooling		Wall/Floor/None	Wall/None			Radiant/None					
Energy Efficient Items		Standard	Standard			Standard					
Garage/Carport		1 Car Garage	1 Car Garage			1 Car Garage					
Porch/Patio/Deck		Patio	Similar			Similar					
		Built-Ins	Built-Ins			Built-Ins					
Net Adjustment (Total)			<input type="checkbox"/> + <input type="checkbox"/> - \$			<input type="checkbox"/> + <input checked="" type="checkbox"/> - \$ 12,500			<input type="checkbox"/> + <input type="checkbox"/> - \$		
Adjusted Sale Price of Comparables			\$ 620,000			\$ 687,450			\$		
Report the results of the research and analysis of the prior sale or transfer history of the subject property and comparable sales (report additional prior sales on page 3).											
ITEM		SUBJECT	COMPARABLE SALE #4			COMPARABLE SALE #5			COMPARABLE SALE #6		
Date of Prior Sale/Transfer		No sales in	No sales in			No sales in					
Price of Prior Sale/Transfer		past 36 months	past 12 months			past 12 months					
Data Source(s)		NDC Data	NDC Data			NDC Data					
Effective Date of Data Source(s)		Signature date of appraisal	Signature date of appraisal			Signature date of appraisal					
Analysis of prior sale or transfer history of the subject property and comparable sales NA											
Analysis/Comments See Addendum											

Supplemental Addendum

File No. 06-0173 Page #10

File No. 06-0173

Borrower/Client	NA		
Property Address	388 Charles Street		
City	Sunnyvale	County	Santa Clara
		State	CA
		Zip Code	94086
Lender	NA		

Improvements Description:

Only the improvements constructed on lot 9 were appraised and inspected. The value contained in this report is subject to subdivision from lots #5 and #6 of APN #165-13-074.

The subject improvements consist of a detached, bungalow style wooden frame home of average quality construction with a detached, undersized one car garage which has no front door. The subject's rear bedroom and 1/2 bath appear to be an older addition due to their slightly different wood siding exterior and separate roof line. It is an assumption of this report that this addition consists of legal living area.

The subject is approximately 53 years old per county records although it appears older. For the purpose of this appraisal, the subject's estimated effective age was used to determine value.

The subject has been maintained in average condition with no major updating.

No adverse conditions were discovered.

Comments on Sales Comparison Approach:

Living area adjustments above 100 square feet were calculated at \$35 per square foot.

Bedroom count adjustments were made at \$10,000 per bedroom.

Bathroom adjustments have been made at \$5,000 for each half bath.

Site size adjustments have been made for more than variations beyond 1,000 square feet at \$2 per foot.

Data sources utilized for this report include: MLS records of RE-Infolink, NDC Data, the Internet and Dataquick. The sales and listing comparables cited are the most recent sales discovered which are appropriate for comparison to the subject.

Digital Signatures:

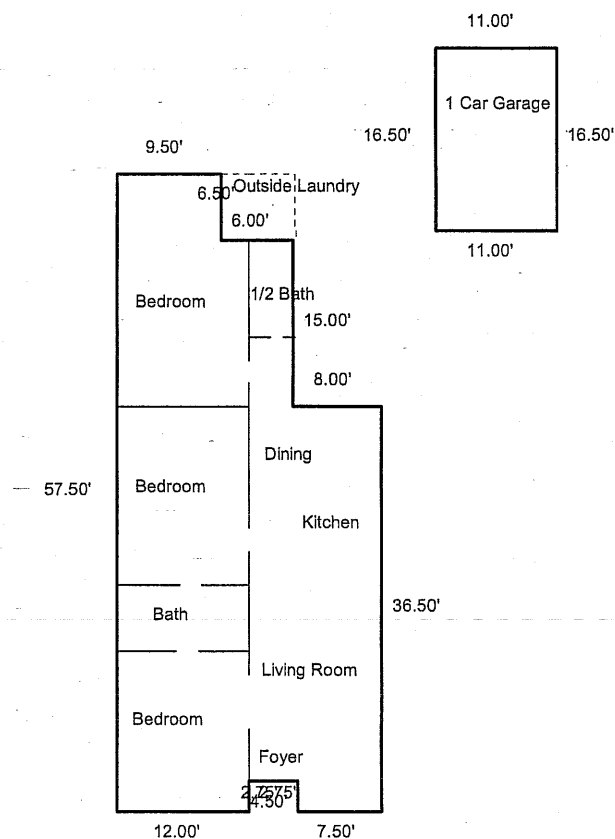
Digital signatures were applied to the above referenced appraisal report. I hereby certify that the signatures in this appraisal are true and original.

Comments and Conditions:

I acknowledge that an estimate of a reasonable time for exposure in the open market is a condition in the definition of market value and the estimate I developed is consistent with the marketing time noted in the neighborhood section of this report, unless I have stated otherwise in the reconciliation section.

Building Sketch

Borrower/Client NA				
Property Address 388 Charles Street				
City Sunnyvale	County Santa Clara	State CA	Zip Code 94086	
Lender NA				

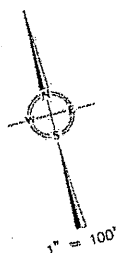


SKETCH CALCULATIONS		
	A1 : 9.5 x 6.0 =	57.0
	A2 : 16.0 x 15.0 =	240.0
	A3 : 12.0 x 2.8 =	33.0
	A4 : 24.0 x 33.8 =	810.0
	A5 : 7.5 x 2.8 =	20.6
	First Floor	1160.6
Total Living Area		1160.6
	A6 : 11.0 x 16.5 =	181.5
	Detached Garage	181.5
	Total Garage Area	181.5

Plat Map

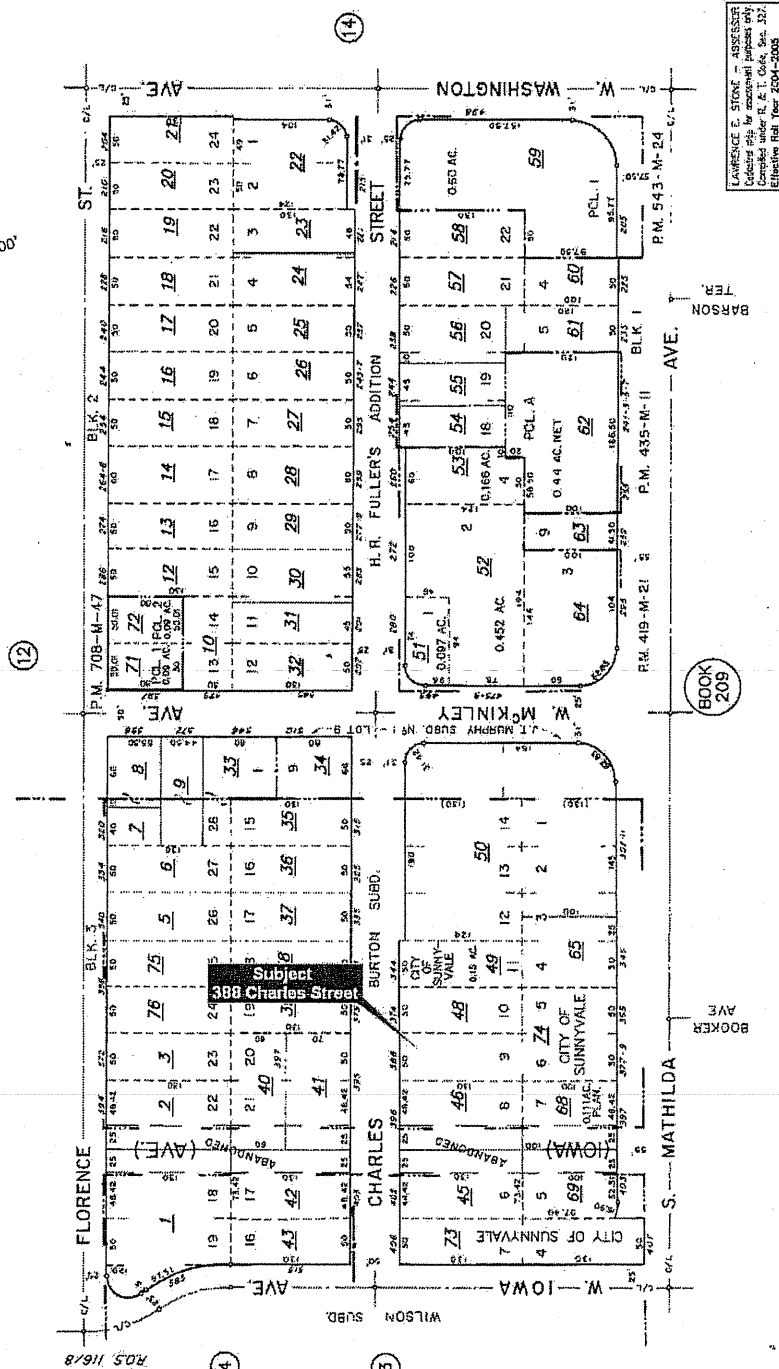
Borrower/Client NA				
Property Address 388 Charles Street				
City Sunnyvale	County Santa Clara	State CA	Zip Code 94086	
Lender NA				

BOOK
165
PAGE
13

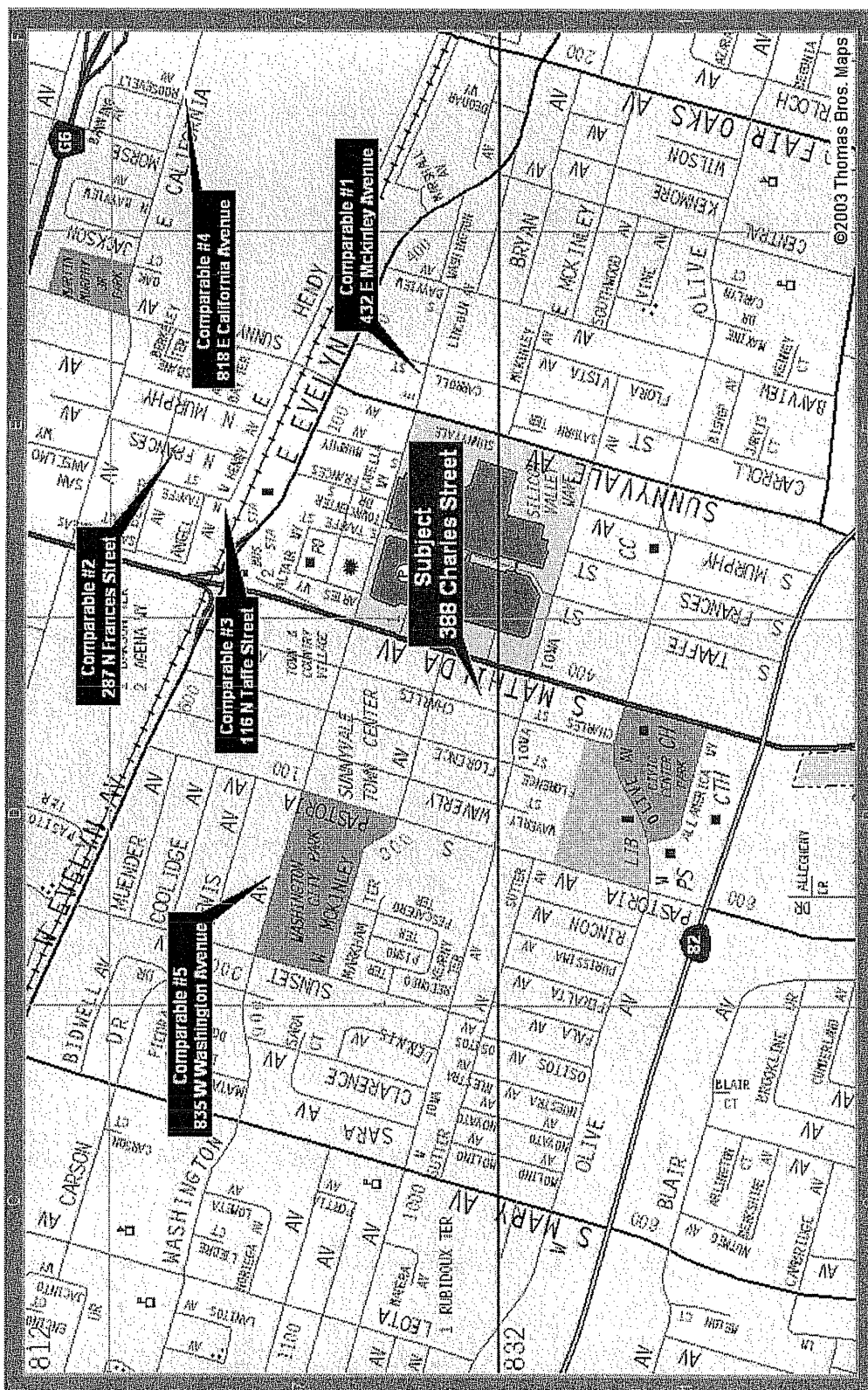


OFFICE OF COUNTY ASSESSOR — SANTA CLARA COUNTY, CALIFORNIA

JAMES T. MURPHY SUBDIVISION NO. 1



Borrower/Client NA				
Property Address 388 Charles Street				
City Sunnyvale	County Santa Clara	State CA	Zip Code 94086	
Lender NA				



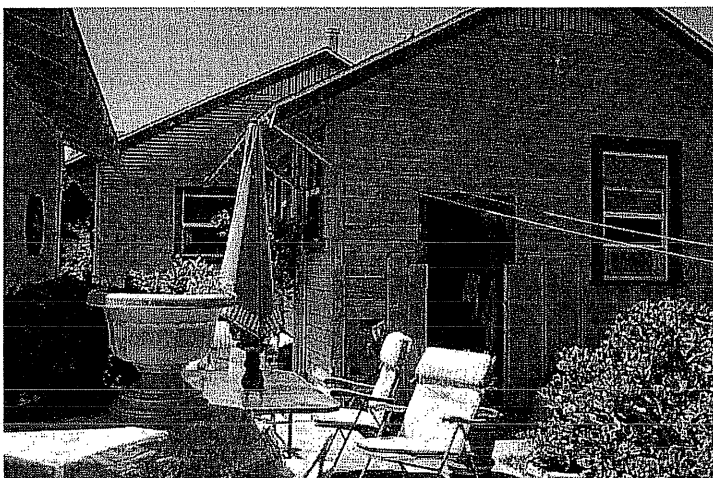
Subject Photo Page

Borrower/Client NA			
Property Address 388 Charles Street			
City Sunnyvale	County Santa Clara	State CA	Zip Code 94086
Lender NA			

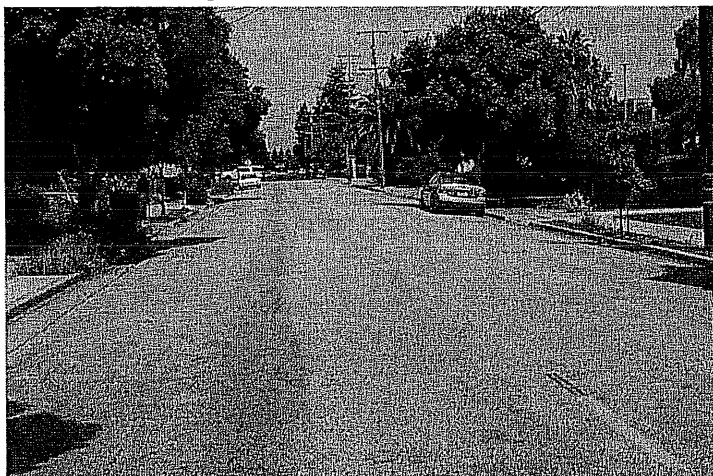


Subject Front

388 Charles Street
Sales Price NA
Gross Living Area 1,161
Total Rooms 5
Total Bedrooms 3
Total Bathrooms 1.5
Location Minor external
View None
Site 6,500 Sq. Ft. (after subdi
Quality Average
Age 53 Years



Subject Rear



Subject Street

Subject Interior Photo Page

Borrower/Client NA			
Property Address 388 Charles Street			
City Sunnyvale	County Santa Clara	State CA	Zip Code 94086
Lender NA			



Subject Interior

388 Charles Street
Sales Price NA
Gross Living Area 1,161
Total Rooms 5
Total Bedrooms 3
Total Bathrooms 1.5
Location Minor external
View None
Site 6,500 Sq. Ft. (after subdivi
Quality Average
Age 53 Years



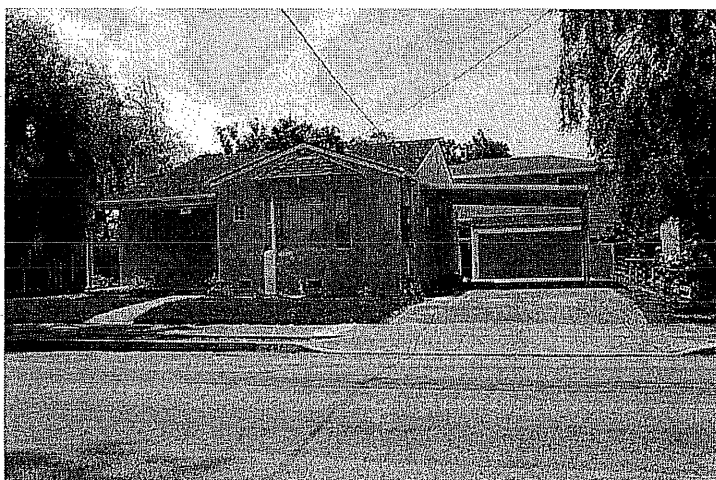
Subject Interior

Comparable Photo Page

Borrower/Client	NA			
Property Address	388 Charles Street			
City	Sunnyvale	County	Santa Clara	State CA Zip Code 94086
Lender	NA			

**Comparable 1**

432 E McKinley Avenue
 Prox. to Subject 1/3 mile north east
 Sale Price 625,000
 Gross Living Area 979
 Total Rooms 5
 Total Bedrooms 3
 Total Bathrooms 1
 Location Feeder Street
 View None
 Site 5000 Sq. Ft.
 Quality Similar
 Age 63 Years

**Comparable 2**

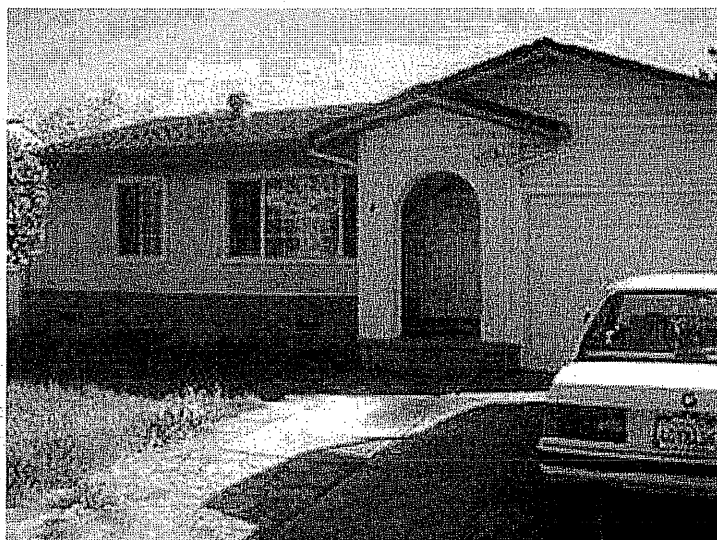
287 N Frances Street
 Prox. to Subject 1/2 mile north east
 Sale Price 620,000
 Gross Living Area 986
 Total Rooms 5
 Total Bedrooms 2
 Total Bathrooms 1
 Location Bcks Apartmnts
 View None
 Site 6098 Sq. Ft.
 Quality Similar
 Age 65 Years

**Comparable 3**

116 N Taffe Street
 Prox. to Subject 1/2 mile north east
 Sale Price 560,000
 Gross Living Area 900
 Total Rooms 5
 Total Bedrooms 3
 Total Bathrooms 1
 Location 2 Sites RR
 View None
 Site 6350 Sq. Ft.
 Quality Similar
 Age 89 Years

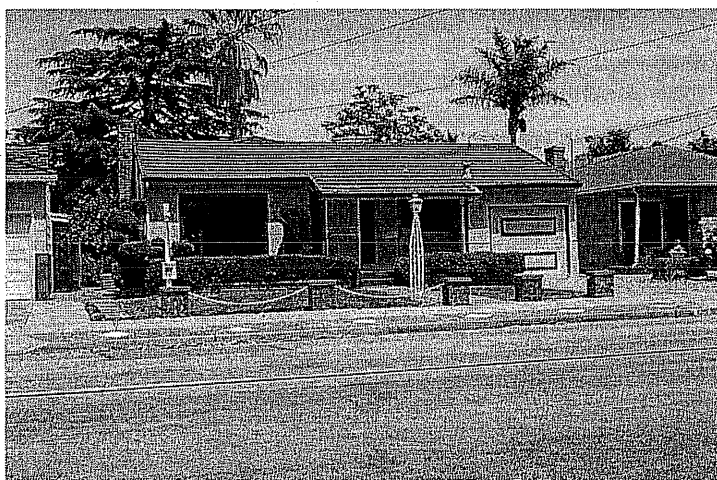
Comparable Photo Page

Borrower/Client NA				
Property Address 388 Charles Street				
City Sunnyvale	County Santa Clara	State CA	Zip Code 94086	
Lender NA				



Comparable 4

818 E California Avenue
Prox. to Subject 3/4 mile north east
Sale Price 620,000
Gross Living Area 1,100
Total Rooms 5
Total Bedrooms 3
Total Bathrooms 2
Location Busy Street
View None
Site 4500 Sq. Ft.
Quality Similar
Age 48 Years



Comparable 5

835 W Washington Avenue
Prox. to Subject 1/3 mile north west
Sale Price 699,950
Gross Living Area 1,136
Total Rooms 5
Total Bedrooms 2
Total Bathrooms 1
Location Minor Feeder
View None
Site 7383 Sq. Ft.
Quality Similar
Age 60 Years

Comparable 6

Prox. to Subject
Sale Price
Gross Living Area
Total Rooms
Total Bedrooms
Total Bathrooms
Location
View
Site
Quality
Age